



# Department of Justice

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**JUSTICE DEPARTMENT ASKS EUROPEAN COMMUNITIES TO INVESTIGATE  
POSSIBLE ANTICOMPETITIVE CONDUCT AFFECTING U.S AIRLINES'  
COMPUTER RESERVATION SYSTEMS**

***First Formal Investigation Request by Department to European Communities***

WASHINGTON, D.C. – The Department of Justice disclosed today that it made a formal request to the European Communities' competition authorities to investigate possible anticompetitive conduct by European airlines that may be preventing U.S.-based airline computer reservation systems from competing effectively in certain European countries. The request, which was made in January of this year, was not disclosed earlier in order to protect the integrity of the investigation.

This is the first formal request--also known as a "positive comity" request--made under a 1991 agreement to enhance cooperation between the U.S. and the European Communities in enforcing competition laws, the Department said.

"This request demonstrates our commitment to cooperative antitrust enforcement with our European colleagues," said Joel I. Klein, Acting Assistant Attorney General in charge of the Department's Antitrust Division. "This kind of cooperation is critical in today's increasingly globalized economy."

Computer reservations systems are used by travel agents to schedule and book reservations on airlines, trains, and other carriers.

The Department's Antitrust Division had been investigating whether the three large European airlines that own Amadeus, the dominant computer reservation system in Europe, maintained that dominance by withholding air fare information and functionality from U.S. computer reservation systems that do business in Europe. When it made its positive comity request, the Antitrust Division sent to the European Commission's Directorate-General for Competition materials that set forth the competitive concerns and summarized the results of the Division's preliminary investigation.

Amadeus is owned by Lufthansa, Air France, and Iberia Airlines. The Antitrust Division had received complaints from Sabre--a computer reservation system largely owned by American Airlines--that these airlines did not give Sabre many air fares on a timely basis, refused to

provide it with certain promotional or negotiated fares, and denied Sabre the ability to perform certain ticketing functions, although they provided these fares and functions to Amadeus. Accurate and up-to-date air fare data and functionality, particularly from airlines that carry a large share of traffic, are critical for a computer reservation system to compete effectively.

"We believe there are indications that exclusionary conduct may be preventing U.S. companies from vigorously competing in computer reservation system markets in Europe," said Klein. "The European Commission is in the best position to investigate this conduct because it occurred in its home territory and consumers there are the ones who are principally harmed if competition has been diminished. At the same time, we retain a strong interest in this matter because U.S. companies may have been blocked from becoming effective competitors and the exclusionary conduct might have adverse effects on U.S. markets as well."

The 1991 agreement between the U.S. and the European Communities provides that positive comity may be exercised by competition authorities in both jurisdictions. Under a positive comity referral, the antitrust agency of one jurisdiction makes a preliminary determination that there are reasonable grounds to investigate and then refers the matter to the competition authority in whose jurisdiction the anticompetitive conduct may be occurring. That competition authority conducts the investigation while keeping the referring authority informed of developments.

Although the Antitrust Division referred to the European Community its investigation of anticompetitive conduct in Europe, it will continue to investigate the possibility that similar conduct may be preventing U.S.-based computer reservation systems from competing effectively in a number of countries in South America.

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